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HAND DELIVERY

Dennis L. Keschl, Esq., Administrative Director
Maine Public Utilities Commission
State House Station 18
Augusta, ME 04333

Re: United States Cellular Corporation: Request for
Designation as an Eligible Telecommunications Carrier
MPUC Docket No. 2004-246

Dear Dennis:

United States Cellular Corporation ("U.S. Cellular," the "Company") filed its Application for Designation as an Eligible Telecommunications Carrier ("ETC") on April 9, 2004. The Company is now prefiling the direct testimony of three Company witnesses and thirty-four rural Maine citizens in support of its Application. U.S. Cellular believes that its direct case clearly establishes its entitlement to ETC designation and requests that the Commission move this case forward on an expeditious basis. As discussed below, timely processing of this case could result in an additional \$1.25 million of funding from the federal Universal Service Fund ("USF") to be used in enhancing Maine's rural telecommunications infrastructure.

This letter will introduce the Company's witnesses and discuss the reasons underlying the Company's request that ETC status be granted promptly.

A. U. S. Cellular's Direct Case.

The Company is prefiling the direct testimony of the following Company witnesses:

Thomas P. Catani, Regional Vice President. Mr. Catani provides an overview of U.S. Cellular and its Maine operations, demonstrates that U.S. Cellular will provide the nine supported services such as to qualify for Universal Service Support, and explains in detail why granting U.S. Cellular's Application in this Docket will serve the public interest.

Richard W. Todd, Senior Director, East Region Engineering and Operations. Mr. Todd describes U.S. Cellular's coverage area in Maine and the Company's engineering and operational support for the Maine service area, discusses how U.S. Cellular intends to use funds received as a result of its designation, and steps through the protocol that the Company will use for handling service requests once it has been designated as an ETC.

Markham L. Gartley, East Region Construction Manager. Mr. Gartley, who served as Maine's Secretary of State in the late 1970s, describes how the Company develops its construction budget, describes the impact that obtaining high-cost support will have on the construction budgeting process, and discusses U.S. Cellular's proposed rural Maine service expansions should it obtain ETC designation.

As Mr. Gartley's testimony states, in the event that the Commission grants ETC status to the Company, and the Company thereafter in fact obtains high-cost support for its Maine operations at the level that it estimates it will receive, it will be constructing new facilities that will enable it to serve a number of Maine communities that currently have no or very limited mobile service. The Towns of Bingham, Fort Fairfield, Jonesport, Rumford and Peru are in the first group of rural towns slated for USF-funded service expansions. In an effort to determine whether its service expansion plans would further the public interest, the Company approached individuals in three of these communities—Bingham, Fort Fairfield, and Jonesport—and interviewed them regarding (a) the quality of their current service and (b) the impact on their communities, activities and/or business in the event that cell service were to be extended to their towns. All of the individuals contacted agreed to provide prefiled testimony for submission in this Docket, as follows:

1. Bingham Testimony.

Sen. Pamela Hatch. Sen. Hatch represents Bingham in the Maine Senate.

Rep. Monica McGlocklin. Rep. McGlocklin currently represents Bingham in the Maine House but is not seeking re-election.

Wright Pinkham. Mr. Pinkham resides in Lexington Township, Maine and is a candidate for the seat currently held by Rep. McGlocklin.

Paul Tessier. Mr. Tessier, the President and CEO of The International Northeast Biotechnology Corridor, is also running for Rep. McGlocklin's seat.

Hon. Steve Steward. Mr. Steward is a member of the Bingham Board of Selectmen. Included as an exhibit to his testimony is a Resolution passed by the Board endorsing the Company's Application.

Sheriff Barry DeLong. Sheriff DeLong is the Sheriff of Somerset County.

Jim Batey. Mr. Batey is the Economic Development Director at the Somerset Economic Development Corporation in Skowhegan.

Clyde Dyer. Mr. Dyer is the Treasurer of the International Northeast Biotechnology Corridor.

Andy Jacques. Mr. Jacques owns Andy's Silkscreen in Bingham and belongs to the Bingham Volunteer Fire Department.

Jeanette Jacques. Ms. Jacques co-owns Jacques Distributors and has served as an Emergency Medical Technician with Kennebec Valley Ambulance Service for thirty years.

David Rosenberg. Mr. Rosenberg is Co-Director of Kennebec Valley Ambulance Service.

Kirk Toth. Mr. Toth is Production Leader for FPL Energy's Kennebec Hydro System with management responsibility for the Wyman Hydro Facility in Moscow, just north of Bingham.

2. Fort Fairfield Testimony.

Sen. Richard Kneeland. Sen. Kneeland represents Fort Fairfield in the Maine Senate.

Rep. Jacqueline Lundeen. Rep. Lundeen represents Fort Fairfield in the Maine House.

Hon. John Houghton. Mr. Houghton, a semi-retired potato seed farmer, is currently serving his fifth term on the Fort Fairfield Town Council. Included as an exhibit to his testimony is a Resolution passed by the Council endorsing the Company's Application.

Sheriff James P. Madore. Sheriff Madore is Sheriff of Aroostook County.

Chief Joseph Bubar. Chief Bubar is the Chief of Police of Fort Fairfield.

Chief Paul Durepo. Chief Durepo is the Fire Chief of Fort Fairfield.

Robert Clark. Mr. Clark is the Executive Director of the Northern Maine Development Commission.

Eric Dumond. Mr. Dumond is responsible for wood fuel procurement for the Boralex power generating station located in Fort Fairfield, as well as the other Boralex facilities located in Maine.

James McKenney. Mr. McKenney is the Senior Manager of Crown Ambulance Service which serves portions of Aroostook County including Fort Fairfield.

Shawn Murchison. Mr. Murchison is the Coordinator of Economic Development for the Town of Fort Fairfield.

Susie James. Mrs. James co-owns a large farming operation, Lucerne Farms, headquartered in Fort Fairfield which grows, processes and sells horse feed.

3. Jonesport Testimony.

Rep. Edward Pellon. Rep. Pellon represents Jonesport in the Maine House.

Hon. Ralph Smith. Mr. Smith is the First Selectman for the Town of Jonesport. Included as an exhibit to his testimony is a Resolution passed by the Board of Selectmen endorsing the Company's Application.

Chief Deputy Sheriff Sidney Hughes. Deputy Hughes is Chief Deputy Sheriff of Washington County.

Chief Boyde Crowley. Chief Crowley is the Fire Chief for the Town of Jonesport.

Dwight Carver. Mr. Carver is a commercial fisherman who has operated out of Beals for over thirty years.

Craig Church. Craig Church owns Moosabec Marine in Jonesport.

John Church. John Church owns Church's True Value Hardware in Jonesport.

Michael Church. Michael Church is a building contractor based in Jonesport.

Valerie Gray. Ms. Gray is an Emergency Medical Technician for the Moosabec Ambulance Service, which serves Jonesport, Beals, and other Washington County towns.

Tom King. Mr. King owns a lumber yard and supply company in Jonesport.

Tonia Merchant. Ms. Merchant is the Office Manager for the Town of Jonesport.

B. The Company's Direct Case Demonstrates Its Entitlement to ETC Designation.

The testimony provided by U.S. Cellular's managers and by the numerous Maine citizens supporting the Company's Application compels the conclusion that U.S. Cellular should be granted ETC status.

Mr. Catani's testimony explains that the Company has 179 cell sites in operation in Maine providing service throughout the State over a modern, recently upgraded Code Division Multiple Access ("CDMA") network. In late August, U.S. Cellular completed a \$22 Million expansion of its Maine network to cover the southern part of the State, adding approximately ninety new jobs. Mr. Catani's testimony establishes that U.S. Cellular offers, or will offer, each of the supported services that ETCs are required to offer, that it advertises its services throughout the State of Maine, and that it will participate in the Lifeline program upon obtaining ETC status. Referring to the Commission's May 13, 2003 Order in *RCC Minnesota, Inc., Request for Designation as an Eligible Telecommunications Carrier*, Docket No. 2002-344 (the "RCC Order"), Mr. Catani makes the case that designating the Company as an ETC will "allow rural customers to enjoy the same choices in telecommunications that urban customers have," Catani Testimony at 8, *quoting* RCC Order at 8, including access to modern services and a choice of providers. He also emphasizes the affordability of the Company's service and notes that gaining ETC designation will enable U.S. Cellular to offer competition in the telecommunications market in Maine's rural areas, benefiting rural customers and spurring incumbents to offer better services.

Mr. Todd confirms in his testimony that the Company is licensed by the FCC to provide mobile service in the portions of Maine for which it seeks designation. He also confirms the reliability of U.S. Cellular's network and the high quality of service offered to its Maine customers. He concludes by describing the protocol which the Company will use for responding to service requests, once designated as an ETC.

Mr. Gartley discusses U.S. Cellular's construction budgeting process and explains how the Company's designation as an ETC in Maine would permit U.S. Cellular to expand into presently-underserved rural areas. Mr. Gartley provides a list of twenty-one rural Maine cell site expansions that the Company plans to undertake should it obtain ETC designation. (Please note that the map exhibits to Mr. Gartley's testimony will be submitted under separate cover subject to the Protective Order previously requested by the Company.)

The local witness testimony submitted by the Company provides the Commission with an ample and comprehensive record upon which to base a conclusion that designating U.S. Cellular as an ETC in Maine will serve the public interest. Bingham, Fort Fairfield and Jonesport may be located many miles from each other, but the testimony of the various Maine people who live in these rural towns yields a remarkably consistent narrative: people in rural Maine want what people in urban and suburban Maine have—a modern mobile communications system.

Many of the local witnesses emphasized that obtaining cell service would make their communities safer places to live and work. Sen. Hatch has had several near collisions with moose in the Bingham area and notes that given the absence of cell service, "people who get into accidents on the road are completely at the mercy of whoever might happen to drive by." Hatch Testimony at 2. Sheriff DeLong's Department "experience[s] problems every day because of the lack of cellular service." DeLong Testimony at 2. He is especially concerned with sending deputies to handle rural domestic violence incidents in Bingham and other underserved portions of Somerset County without any means of calling for back-up assistance should the situation become violent. Likewise, Fort Fairfield Chief of Police Bubar notes, "[W]e have had several stand-offs in town, where suspects have called the police department threatening to murder someone or commit suicide. ... If officers could rely on cellular phones in these situations, they could establish the whereabouts of suspects by locating their landlines." Bubar Testimony at 2. Aroostook County Sheriff Madore expresses similar concerns, noting that his "deputies are placed in greater danger because they may not know all of the details regarding the [emergency] call." Madore Testimony at 2. Washington County's Chief Deputy Sheriff Sidney Hughes sounds a similar theme, stating that with reliable cell service officers could "get immediate[] answers to such inquiries as 'is the perpetrator still in the house?' or 'does he have a gun?'" In what must be the understatement of the year, Deputy Hughes states that "this is something the officer would want to know before coming through the door." Hughes Testimony at 2.

Rural Maine law enforcement personnel are not the only people in these communities who consider cell service to be an urgent safety matter. Emergency medical technicians and ambulance operators also need good communications to manage accident scenes, summon LifeFlight helicopters when needed, and get injured parties to safety. Jonesport EMT Valerie Gray states that she needs working mobile phones at the scene of an accident or while transporting injured people to the hospital "to quickly get a doctor's orders," and notes that using VHF radios to accomplish this would be tantamount to broadcasting the patient's medical condition to the community. Gray Testimony at 2. The latter point is echoed in Fort Fairfield Fire Chief Paul Durepo's testimony: "We cannot get on the radio and say, 'Mrs. Johnson is in cardiac arrest.'" Durepo testimony at 2. The co-Director of the Upper Kennebec Valley Ambulance Service, David Rosenberg, notes that rural areas such as Bingham rely on LifeFlight

of Maine's two helicopters to transport injured people to medical centers. "However," he explains, "there are many occasions when we are responding to a call which is serious enough to warrant using LifeFlight but we cannot contact them to tell them where the landing site is because our cell phones don't work." Rosenberg Testimony at 3. The life-or-death nature of this issue is dramatically underscored by the testimony of Bingham EMT Jeanette Jacques:

Just a year or so ago I was called to the scene of an accident. A log truck had tipped over. Usually when this happens, the driver is not badly hurt, so I went with only an unlicensed driver and was the only EMT on the scene. When we got there we saw that the truck had tipped over onto a car and the driver of the car was very severely injured. She was a patient that should have been taken out by LifeFlight, the critical response medical helicopter service, but our cell phone wouldn't work so we couldn't call them. This patient was truly jeopardized because of the lack of cell service. I couldn't even call for backup. I ended up having to crawl back and forth under the truck to get supplies as I didn't even have someone to fetch things for me. Eventually we transported the patient to Skowhegan Hospital which is 25 miles away. From there she was later moved to Eastern Maine Medical Center in Bangor where she would have been taken by LifeFlight had we been able to make a call. All this wasted precious time.

J. Jacques Testimony at 2-3.

In addition to the serious safety concerns underlined by the rural law enforcement and EMT witnesses, the local witness testimony submitted by the Company unquestionably establishes that the absence of quality mobile service significantly inhibits a community's ability to attract new businesses and the jobs that result. Jim Batey, Somerset Economic Development Corporation's Economic Development Director, emphasizes that "[t]he lack of cell service really inhibits the economic growth that is so needed in this region." Batey Testimony at 2. Robert Clark, Executive Director of the Northern Maine Development Commission, notes that business people considering expansion into an area are keenly interested in the availability of modern telecommunications in an area "such as reliable cellular service." He further states, "As it stands now, I don't see how people in Fort Fairfield conduct business by cellular phones at all." Clark Testimony at 2. Senator Kneeland points out, "More and more, the lack of cellular service in a community makes it difficult to attract and retain businesses." Kneeland Testimony at 2. Senator Hatch notes that "Somerset County has lost numerous jobs ... [and] need[s] to improve the attractiveness of [its] business climate by having good cell service." Hatch Testimony at 3. Rep. McGlocklin testifies that "[b]usinesses tend to stay away from communities that don't have cell service as cell service is becoming more and more vital to the operation of a successful business." McGlocklin Testimony at 2. Fort Fairfield's Economic Development Coordinator, Shawn Murchison, who doubles as the Executive Director of the Fort's Chamber of Commerce, explains:

I try to get businesses into the Town of Fort Fairfield for economic development purposes. When we do get visiting sales people and businesspeople in town, they

all carry cell phones, and are frustrated by the lack of cellular service. In fact, I hear many complaints about the unavailability of service in Fort Fairfield. People know that when they come into Fort Fairfield they will not have cellular services, and it is frustrating. The economic development of the region depends on having the required infrastructure, such as cellular service, to support a thriving business community. The availability of cellular service would make this a more attractive business destination.

Murchison Testimony at 2.

The Company's local witnesses also testify to the unanswerable proposition that the absence of reliable cell service constitutes a terrible inconvenience in the present day and age and is tending to set rural Maine apart as a backwater left behind by the modern world. For example, in Bingham, UPS and Federal Express drivers can't use their delivery tracking systems, A. Jacques Testimony at 2, workers who might get injured while working outside at the Wyman Hydro Station cannot use cell phones to call for help, Toth Testimony at 2, and the heavy equipment parts dealer cannot communicate with her customers operating machinery in the woods, J. Jacques Testimony at 2.

In Fort Fairfield, the police can't use their laptops to run license and registration checks, Bubar Testimony at 3, the fuel procurement manager loses cell service as he is about to wrap up a \$100,000 transaction, Dumond Testimony at 2, fuel companies cannot efficiently dispatch delivery trucks, Houghton Testimony at 2, farmers cannot call from their tractors to arrange for the delivery of a part, Lundeen Testimony at 2, James Testimony at 3, and the manager of the horse feed operation carries an old "bag phone" in an often vain attempt to obtain mobile service, James Testimony at 2.

In Jonesport, the fisherman can't call from his boat to get information on the market price of fish, Carver Testimony at 2, the marina operator can't take orders from fishermen in their boats, C. Church Testimony at 2, the store owner can't communicate with his employees from the road, J. Church Testimony at 2, the contractor can't take calls from potential clients in his truck, M. Church Testimony at 3, the parent can't be in touch with a son at college, B. Crowley Testimony at 3, the husband worries about his wife driving home after working the night shift without a useable cell phone, Hughes Testimony at 3, the lumber yard operator can't communicate with his salespeople when they are on the road, King Testimony at 2, the local mussel dealer can't be reached by customers seeking to place orders, Smith Testimony at 3, the landlord cannot be reached by tenants wanting to discuss a problem when he is on the road, Pellon Testimony at 2, and the wife and mother can't communicate with her children or her fisherman husband, Merchant Testimony at 2.

Recognizing the improvement in safety, business climate and just plain convenience that the Company's proposed cell service expansion plans would mean for their communities, the Towns of Bingham, Fort Fairfield and Jonesport have each enacted Resolutions endorsing U.S. Cellular's Application now before this Commission. These Resolutions merely confirm what common sense would suggest: people living in rural Maine want what the Tel Act promised for them: the same high quality mobile network infrastructure that people in our nation's urban

areas—the Portlands, Lewistons and Bangors—enjoy. The Commission could not have any better evidence to sustain the Company’s claim that endorsing its Application would serve the public interest.

C. The Company Has Met the Public Interest Standard.

In areas served by non-rural Local Exchange Carriers (“LECs”), the Commission can designate U.S. Cellular as an ETC after finding that it has met the nine-point checklist and verifying that it will advertise its services throughout the proposed ETC service area. *See Cellular South Licenses, Inc.*, Docket No. 01-UA-0451 (Dec. 18, 2001) (Mississippi). In areas served by rural LECs the Commission must, in addition, find that granting ETC status would serve the public interest. 47 U.S.C. § 214(e)(2).

The Company discussed the standards to be applied under the TelAct in making the necessary public interest determination in its Application at pp. 7-10, and the testimony submitted herewith sustains U.S. Cellular’s position that granting its Application will meet those standards. Specifically, granting the Application will permit the Company to provide an increasing number of the rural communities that it serves with improved “access to telecommunications and information services . . . that are reasonably comparable to those services provided in urban areas and are available at rates that are reasonably comparable to rates charged for similar services in urban areas.” 47 U.S.C. § 254(b)(3). The Company’s local witness testimony confirms that expanding mobile service to rural Maine towns will

- ¶ greatly enhance the delivery of police, fire and other public safety and emergency medical services in these communities,
- ¶ allow these towns to compete for the new businesses and jobs that are desperately needed to offset the steep decline of the State’s rural manufacturing base, and
- ¶ permit the people residing in these towns to have the convenience and benefits of the kind of modern mobile communications system that is common throughout urban and suburban Maine communities.

U.S. Cellular believes that the testimony submitted herewith sustains its contention that granting it ETC designation will be in the public interest.

D. Receipt of ETC Designation Prior to December 30, 2004 Will Enable Funding to Begin During the Second Quarter of 2005.

In the event that these proceedings are concluded with U.S. Cellular being designated an ETC on or before December 30 of this year, the Company will be in line to begin receiving support payments during the second quarter of 2005. Mr. Catani indicates in his testimony (Catani Testimony at 4) that the Company estimates an annual funding level of approximately \$5 Million per year. Should U.S. Cellular not be designated until the first quarter of next year, it will not begin receiving funds until the third quarter of next year. Since there is no “retroactivity feature,” Maine would lose about \$1.25 Million in federal infrastructure funding (based on U.S. Cellular’s best estimate) should this case be delayed into next year. The Company, therefore,

respectfully requests that a schedule be developed for this Docket that will permit the Commission to issue at least a "short order" on or before the close of December.

E. Conclusion.

Designating U.S. Cellular as an ETC in Maine will entitle the Company to receive high-cost support which it has pledged to funnel into the development and expansion of its Maine network. The Company has committed to use these funds for the purposes established in the TelAct and specifically has undertaken to expand its service to twenty-one rural Maine communities. Testimony submitted herewith from Legislators, public safety officials, elected town officers, economic development officials and local people representing and/or living in three of these communities, as well as the testimony of the Company's witnesses, together make an overwhelming case for a speedy grant of ETC status.

Very truly yours,

Kimball L. Kenway

KLK/acd

cc: Benjamin Sanborn, Esq., Telephone Association of Maine (w/encl.)
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